

# Medicare - Part D

Prescription Drug Benefit: January 1, 2006



# Is Medicare More Than Part A and Part B?

Yes! Medicare has four parts beginning 2006. They include:

- Part A = Hospital insurance
- Part B = Outpatient insurance
- Part C = Managed Care Options
- Part D = Prescription Drug Coverage



# Why Do We Need to Know About Medicare?

- Some of the people we serve get both Medicare and Medicaid; and
- Medicare is the priority program, for example:
  - ❖ Claims must be submitted to Medicare for payment before they are submitted to Medicaid when a client has both Medicare and Medicaid benefits.
  - ❖ Prescription drugs must be accessed through Medicare when a client has both Medicare and Medicaid benefits beginning January 2006.



# What is the Medicare Transitional Drug Benefit?

- Not intended to continue after January 1, 2006 when the new Medicare Part D Prescription Drug Coverage begins.
- A temporary cash benefit accessed by special “drug cards” to help Medicare beneficiaries pay for prescription drugs; and



# What is Medicare Part D?

## (Medicare Prescription Drug Coverage)

- A Medicare drug benefit available to all Medicare beneficiaries to help pay for prescription drugs
- The prescription drug benefit will be known as Medicare Prescription Drug Coverage (Medicare Part D)
- All Medicare beneficiaries will be required to pay some participation costs





# What Are Some Important Terms for Part D?

## Two old terms

### Duals

Dual Eligibles: People receiving medical benefits from both Medicare and Medicaid

### MSP

Medicare Savings Programs: Medicaid programs to assist with costs of Medicare Parts A and B. Includes QMB, SLMB, and QI-1



# What Are Some Important Terms for Part D?

## Two new terms

### LIS

Low Income Subsidy: Social Security Program to reduce or eliminate Part D out-of-pocket costs like premiums, and/or deductibles for low- income/resource beneficiaries

### PDP

Prescription Drug Plans: organizations offering prescription drugs through Medicare Part D



# When Does It All Start?

May - August 2005: SSA mails applications to Medicare beneficiaries who may be eligible for a subsidy

November - May 15, 2006: Medicare beneficiaries begin enrolling in Prescription Drug Plans

January 1, 2006: Medicare Prescription Drug Coverage begins





## How Do People Apply for the Low-Income Subsidy & Enroll in A Drug Plan?

### It depends:

- If the person is a dual eligible or an MSP client, they will not have to apply for the subsidy
- States tell Medicare about duals and MSP people. Then these groups become automatically eligible for the subsidy.
- Medicare will automatically enroll these groups in a Part D drug plan. They can change plans whenever they want.



## How Do People Apply for the Low-Income Subsidy & Enroll in A Drug Plan?

All others fall into two categories:

- Income less than 150% FPL and assets higher than MSP
  - Must apply for the low-income subsidy; and
  - Choose and enroll in a Medicare Drug Plan
- Income higher than 150% FPL
  - Will not get subsidies ; and
  - Must choose and enroll in a Medicare Drug Plan



# What Does the Low-Income Subsidy Pay For?

- Depends on the subsidy level the person is eligible for \*.
- The subsidy can pay all participation costs except for small co-payments per prescription or;
- Some part of the client's Part D drug premiums, deductibles, and other required participation.

**\*See handout chart**



## Will Medicare Beneficiaries Apply for the Low-Income Subsidy in DSHS Offices?

Yes

- *Some* Medicare beneficiaries will apply for the Medicare Part D Prescription Drug Low-Income Subsidy benefit in DSHS offices
- The Low-Income Subsidy follows most (but not all) SSI-related income and asset rules
- **States must take these applications**



# How Many Medicare Beneficiaries Might Be Eligible for the Subsidy?

We estimate that Washington has:

- Up to 330,000 who *may* qualify for the “Low-Income Subsidy”
- Many may be eligible for MSP but have never applied
- SSA’s Part D outreach will increase our MSP caseload as well as CN, MN & Basic Food caseloads

\*Source: OFM, as of January 2004





# How does Part D change Medicaid?

- Medicaid **will not** pay for drugs covered under Part D; but
- Medicaid **will** pay for drugs excluded under Part D and prescribed over-the-counter drugs; and
- Medicaid clients who must get drugs under Part D in January 2006 will **have co-pays**



# How Are Part D Benefits Provided?

By:

- Private prescription drug plans (PDPs) that are Medicare-approved for Part D
- Medicare Advantage (MA) managed care plans like Secure Horizons and Group Health (Medicare Part C beneficiaries)

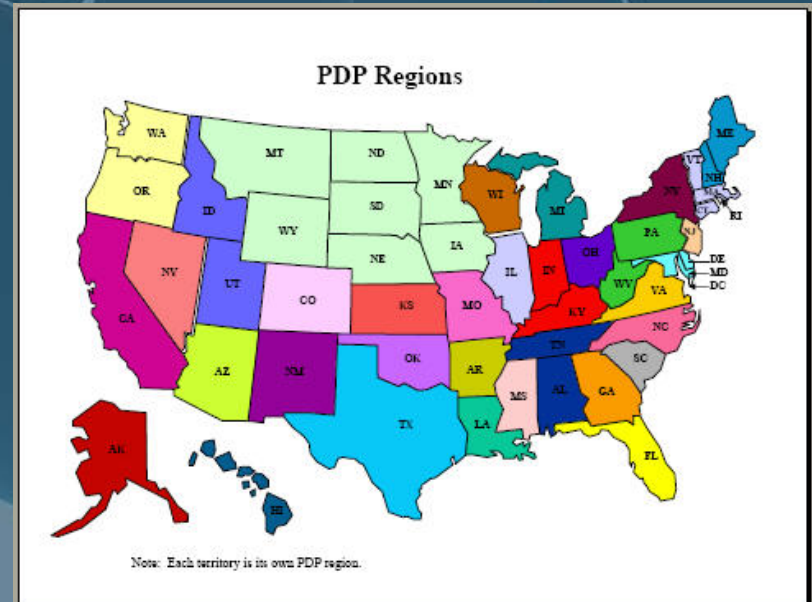




# What Is Our State's Prescription Drug Region?

There are 34 Part D regions

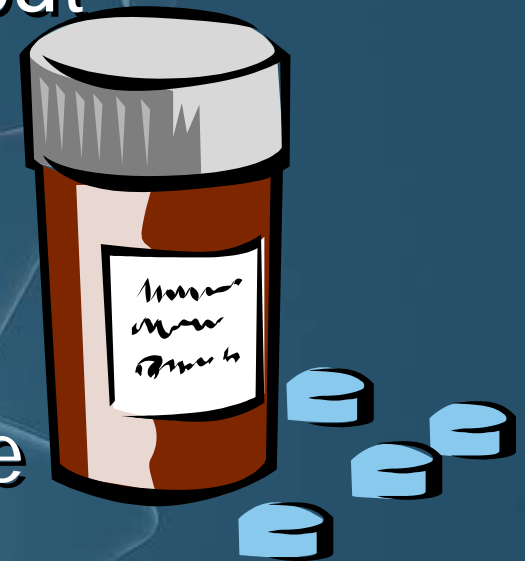
- Region 30 is Washington & Oregon
- Coverage will be consistent within a region; and there will be a
- Minimum of 2 plans per region
- We won't know who they will be until September 2005





# What Do Prescription Drug Plans Provide?

- At least 2 drugs per therapeutic class
- Means plan may cover Lipitor but not Pravachol yet both are for cholesterol control
- Before choosing a plan beneficiaries should contact the plan for a list of offered drugs





# What Do We Need To Do?

- Help 'Low-Income-Subsidy (LIS) applicants complete LIS applications
- Forward completed apps to SSA
- Look at income and assets on LIS applications for possible Medicare Savings Programs (MSP) eligibility
- If likely eligible, offer an MSP application





# How Will We Do It?

- Forward all LIS applications received by DSHS to SSA Processing Center
- Forward LIS applications to a central unit in MAA only when the client insists that DSHS determine LIS eligibility
- Refer applicants with questions about Part D to resources like:
  - Medicare: 1-800-Medicare;
  - SHIBA HelpLine: 1-800-562-6900



# How Will MAA Support Field Staff?

- Training in all regions
- Notify CSD/HCS via EAZ manual, memos, etc.
- MAA regional reps available
- Provide a desk aid to help direct Part D LIS application flow in CSOs/HCSOs



# Summary





# Medicare Part D will mean:

- Better coverage for some beneficiaries
- Co-pays for dual eligibles
- States have added responsibilities







# Is There Good News? Yes!

- Most Medicare beneficiaries have income and assets higher than the LIS eligible; and
- We do not expect this group to come to DSHS because SSA will not send these people an application for the LIS.
- If they do contact DSHS about Medicare Part D, refer them to:

Medicare or SHIBA HelpLine







# Client Referral Numbers

- SSA toll-free number: 1-800-772-1213
- Medicare: 1-800-Medicare
- SHIBA HelpLine: 1-800-562-6900
- Drug plan enrollment forms:
  - ✓ SHIBA HelpLine
  - ✓ 1-800- Medicare, or
  - ✓ SSA



# Staff Questions Go Where?

- Send questions by email to your MAA Regional Representative
- or
- Call your MAA Regional Representative